



COMMITTEE ON
**EDUCATION
& LABOR**
REPUBLICANS

**COMMITTEE
STATEMENT**

**Opening Statement of Rep. Greg Murphy (R-NC), Republican Leader
Subcommittee on Higher Education and Workforce Investment Hearing:
"Examining the Policies and Priorities of the Office of Federal Student Aid"
October 27, 2021**

(As prepared for delivery)

"The Office of Federal Student Aid (FSA) is an important agency that is responsible for overseeing the disbursement of over \$100 billion in grants, loans, and other student aid dollars each year.

"Through such aid, millions of students are able to pursue postsecondary education who otherwise would not have the means to do so and that's a very just cause.

"In addition to this vital function FSA plays in higher education, FSA is also tasked with overseeing one of the greatest challenges the Department of Education has faced since its inception – returning nearly 45 million borrowers into repayment status after a near two-year pause in response to the COVID-19 pandemic.

"The stakes could not be higher as the consequences of a failed transition would be catastrophic – as millions of borrowers, those who signed on the dotted line, could needlessly default on their loans, thus ruining their financial future.

"This should be the sole focus of FSA, but unfortunately, this office has bowed somewhat to partisan politics and put the wishes of the Democrat party's progressive base over the immediate needs of student borrowers.

"Instead of working with its partners to ensure the transition to repayment runs smoothly, FSA has taken an 'us versus them approach,' treating these contractors more like adversaries than the critical partners that they really are. It's not a stretch to assume that such rhetoric from the highest levels of FSA contributed to the exit of several federal student loan servicers over the last year who collectively serve 16.5 million borrowers.

"Further, FSA is also currently carrying out the implementation of the FAFSA Simplification Act and the FUTURE Act. Instead of focusing on their implementation which is critical to the disbursement of federal student aid dollars, FSA has decided to spend its energy harping on for-profit colleges through the revival of an Obama-era enforcement unit while turning a blind eye to the misdeeds of institutions that serve the vast majority of students.

"To make matters worse, the Biden administration is using the permanent pandemic narrative to expand its takeover of higher education, recently announcing an executive action overhaul of the Public Service Loan Forgiveness program in direct conflict with the law Democrats unilaterally wrote. This will undoubtedly take away necessary resources that should be allocated to the soon to be disaster in the federal student loan program.

"In addition to being a massive overreach of executive authority, this policy is fundamentally unjust. It puts taxpayers – the majority of which do not hold a college degree – on the hook for billions in student loans borrowed by individuals making more than those taxpayers.

"This is on top of the \$100 billion taxpayers are already responsible for due to the continuation of the student loan repayment pause. We have received little to no response, with the exception of a few 11th hour letters that sadly did not address our questions and I expect you all knew would be the case.

"Given FSA has decided to spend its energy on pleasing progressive advocates, its unsurprising Cordray's team are pushing others to do FSA's job, including telling states to regulate federal student loan servicers. FSA's lack of leadership will ultimately hurt the very students it claims to care about.

"For these reasons, I am glad the Chairwoman has called for this hearing today. Committee Republicans have requested information regarding all these critical issues. But unfortunately, we have received little to no response, with the exception of a few 11th hour letters that sadly did not address our questions as I expect you all knew would be the case.

"But fortunately, we have Chief Operating Officer Richard Cordray today and I look forward to hearing more details on all of these issues."

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